

MINUTES
REDEVELOPMENT AUTHORITY OF THE CITY OF GREEN BAY
Tuesday, November 10, 2015
City Hall, Room 604
1:30 p.m.

MEMBERS PRESENT: Harry Maier, Chair; Gary Delveaux, Vice-Chair; Jim Blumreich, Melanie Parma, Tom Weber

MEMBERS EXCUSED: Ald. Joe Moore, Matt Schueller

LIAISON REPRESENTATIVES PRESENT: Jeff Mirkes, Leah Weycker

OTHERS PRESENT: Kevin Vonck, Cheryl Renier-Wigg, Billie Jo Horsens, Krista Cisneroz, Jamie Blom, Colin Cassidy, Matthew Meier, Cora Haltaufderheid, Jeff Knutson, Dawn Foeller, Ald. David Nennig, Jeff Bollier, Paul Belschner, and other interested parties

APPROVAL OF AGENDA:

Approval of the agenda for the November 10, 2015, meeting of the Redevelopment Authority.

A motion was made by G. Delveaux and seconded by T. Weber to approve the agenda for the November 10, 2015, meeting of the Redevelopment Authority. Motion carried.

APPROVAL OF MINUTES:

Approval of the minutes from the October 13, 2015, regular meeting of the Redevelopment Authority.

A motion was made by J. Blumreich and seconded by T. Weber to approve the minutes from the October 13, 2015, regular meeting of the Redevelopment Authority. Motion carried.

COMMUNICATIONS:

None.

OLD BUSINESS:

1. Riverside Place Condominium (TIF 4): Amendment to Development Agreement

K. Vonck explained that the proposal is to approve a second amendment to the development agreement, subject to minor legal and technical changes. A copy of the second amendment was distributed. The amendment will extend the term of the development agreement from 2019 to 2025. The Developer is projected to make a balloon payment of approximately \$700,000 to the City in 2019. The applicant is asking for an extension to push it out until TID 4 closes. The amendment would net about \$1

million for the City in TID 4. Staff feels this project has been performing well and would recommend extending the development agreement.

J. Blumreich questioned if the extension would be communicated with the Joint Review Board and K. Vonck indicated they would be informed of the amendment. If there are concerns, the Board could meet.

K. Vonck reported that the TID is doing well and meeting expectations.

G. Delveaux clarified that the amendment is a six year advancement.

A motion was made by G. Delveaux and seconded by J. Blumreich to approve the Second Amendment to the Development Agreement, subject to minor legal and technical amendments. Motion carried.

2. Baylake City Center Condominium: Continuing Guaranty (Limited) to the Bank of Luxemburg on behalf of HCW, LLC.

K. Vonck distributed Resolution No. 646 recommending approval of a continuing guaranty (limited) for the Baylake City Center Condominium project, which would need to be approved by Common Council. HCW, LLC (the Borrower) has asked the City to sign a guaranty looking at refinancing the Bay Lake City Center condos. They would use that refinancing to pay back current debts on that facility, including a loan from the City of about \$3.1 million including interest. The City would be guaranteeing about \$2.5 million. The applicant and Finance Director D. Foeller were present to answer questions.

A motion was made by T. Weber and seconded by G. Delveaux to open the meeting for discussion. Motion carried.

Paul Belschner, Smet Construction Services, stated that in 2005 the upstairs of the former Boston Store was redeveloped for APAC Customer Services. At that time there wasn't a lot of momentum downtown and a partnership was formed between APAC, HCW, and the City of Green Bay to bring their organization downtown. With that, there was a first position financing and a second position bond issuance by the City of Green Bay. This refinancing is a repayment of those bonds by the Bank of Luxemburg, which is the loan payoff to the City as per the bond schedule. All parties are in agreement that this is the best position for all to move forward with the financing.

D. Foeller stated this was a note that the City took out and they have been making their principal and interest payments on time. They are folding this into one borrowing through the Bank of Luxemburg, repaying the City, and taking out the note for \$2.5 million with the guaranty. They have been working hard on extending the APAC agreement and the City has a vested interest, along with Smet and APAC, to keep these jobs downtown.

In response to a question from T. Weber, D. Foeller explained that Moody's looks at the debt that is outstanding so from her perspective she is looking at removing debt from

the City for these types of developments versus adding to our debt. A guaranty has to be reported in financial statements, but doesn't go against our borrowing capacity.

T. Weber questioned if there is a penalty on early repayment to retire the debt and the bonds and there is not. It was intended to be called on December 15.

A motion was made by J. Blumreich and seconded by T. Weber to return to regular order of business. Motion carried.

A motion was made by T. Weber and seconded by M. Parma to approve the Continuing Guaranty (Limited) to the Bank of Luxemburg, subject to minor legal and technical amendments. Motion carried.

NEW BUSINESS:

3. Request from Jeffrey Knutson for a Planning Option on the Kellogg/Chestnut site.

K. Vonck stated this is in regards to the parcel on the northeast corner of Kellogg and Chestnut. Staff sent out an RFP and one proposal was received from Jeffrey Knutson d/b/a/ Historic Restorations LLC. He currently owns the parcel at the northwest corner of Kellogg and Broadway. Mr. Knutson is proposing to renovate the structure at 409 N. Broadway and to provide parking for that facility and the whole project, looking at the concept of artistic garages, which would tie everything together into one development project. The applicant is present to answer questions. Staff has looked at the site and is comfortable with providing a three-month Planning Option to further review the project. The applicant will potentially be requesting some financial assistance to reach a development agreement.

A motion was made by T. Weber and seconded by G. Delveaux to open the meeting for public discussion. Motion carried.

Jeffrey Knutson provided an overview of his proposal. He stated that 401 N. Broadway is complete and has 14 units which are all currently occupied. 409 N. Broadway is not yet developed and needs additional parking to meet City requirements. He would like to put 22 apartments in the 409 N. Broadway property and build garages on the available site to enable him to secure tenants for the 409 N. Broadway development. The proposal includes the concept of rooftop gardens/greenspace over the garages to help compensate for the green space requirements. Regarding the rental market for his units, he stated there is a lot of demand for small units.

K. Vonck indicated that a development agreement, along with any request for financial/TIF assistance, would come back to the Authority for approval.

A motion was made by J. Blumreich and seconded by T. Weber to return to regular order of business. Motion carried.

A motion was made by G. Delveaux and seconded by M. Parma to authorize staff to execute a three-month Planning Option with Historic Restorations LLC for the Kellogg/Chestnut site. Motion carried.

4. Request from Habitat for Humanity for a Planning Option on the 1300 E. Walnut Street site.

B. Horsens stated that the RDA owns six consecutive sites in the 1300 block of E. Walnut Street that were purchased through the Neighborhood Initiative Grant and Neighborhood Enhancement Funds. Staff has been working on finding someone to do a larger development on the site and saw that other Habitats in Wisconsin had built owner-occupied townhomes. Staff approached the Green Bay Habitat about this idea. They were receptive to the concept. They are proposing to build three structures for six units of single-family townhomes on the site. The infrastructure and how everything would fit on the site is being worked on. Some design options were shown. Staff is recommending a six-month Planning Option to continue to work on designs, a site plan, and allow time for due diligence.

A motion was made by T. Weber and seconded by J. Blumreich to open the meeting for public discussion. Motion carried.

C. Haltaufderheid, Habitat for Humanity, provided some background information about Habitat and stated that there are a tremendous number of families and not enough spaces for them. They have been in contact and visited with the Habitat in Waukesha and the Twin Cities where they currently build these townhomes. They would like to get into common wall agreements where everybody owns their own single lot. The 1300 E. Walnut site is a prime location to start making a change for the organization to provide more families with housing in a way that works closely with the City to help beautify the neighborhoods. They would like a six-month option on the lot to continue to work with the City to develop the plans. Their intention would be to start digging in 2016 with completion in 2017. The townhome projects are being done by Habitat around the United States, but are new for Green Bay.

T. Weber commented that six months is a long time to put together a development agreement and questioned if that much time is really needed. Since this is something new for Habitat, the six months will be needed to get funding and plans in place and to get new people on board to meet with developers, builders, and engineers. T. Weber questioned if there were any zoning issues with the zero lot line.

C. Renier-Wigg stated that if Habitat is successful with the plans, they will come back before the six months is up. City staff is working with Habitat and our Planning staff on this.

A motion was made by G. Delveaux and seconded by M. Parma to return to regular order of business. Motion carried.

A motion was made by M. Parma and seconded by J. Blumreich to authorize staff to execute a six-month Planning Option with Habitat for Humanity for the 1300 block E. Walnut Street site. Motion carried.

5. Review and approval of term sheet for Pete's Garage at 154 N. Broadway.

K. Vonck stated there is a developer interested in acquiring 128 and 142 N. Broadway, the Scanhome building and the building directly to the south, which occupies Zulou on the first floor. All together it is roughly 28,000 square feet. Scanhome has been occupied and there have been tenants in and out of the first floor of the southern building. Two floors of the three-story building to the south have largely been vacant for many years. A developer is interested in renovating the space and a representative is present to answer questions. A term sheet was provided. The developer would like to find out where the City is at in terms of their request for financial assistance before moving ahead with the project. Looking at the increment they would create and based on those incremental taxes, the City would be able to rebate 50% of those in a pay-go for a period of eight years to contribute to this project. Based on the numbers, this is felt to be a fair value. It includes both structures and with the clock ticking gives incentive to move forward with the Scanhome building as well as the upper floor renovations at 128 N. Broadway.

A motion was made by J. Blumreich and seconded by T. Weber to open the meeting for public discussion. Motion carried.

Jamie Blom, Immel Construction, provided an overview of the project. Pete's Garage is a bike store and is a business in Ashwaubenon called Pedal and Paddle that will be relocating to the Broadway District. The intent is to try to restore the building back to its historical context. The restoration plans were reviewed and include a mezzanine space in the center that would allow for a member club or meetings. It will also be the home base for Green Bay Multisport, the local triathlon team in Green Bay. Scanhome will be moving as of December 1. Potential use of the property to the south includes office space and residential units. A great deal of work is needed on both buildings.

K. Vonck noted that there is a limited time left on the TID and structuring the Development Agreement to encompass the whole parcel puts the onus on them in terms of timeframe. If the terms are agreed upon, a Development Agreement could be presented at the December RDA meeting. J. Blom indicated they agree to the terms outlined in the term sheet and would like to move forward.

A motion was made by G. Delveaux and seconded by T. Weber to return to regular order of business. Motion carried.

A motion was made by G. Delveaux and seconded by M. Parma to approve term sheet and authorize staff to draft Development Agreement. Motion carried.

6. Review and approval of Redevelopment Authority of the City of Green Bay (RDA) HOME Program Policies and Procedures Manual.

K. Cisneroz stated that the HOME program was recently monitored and one of the findings was that we didn't have a Policies and Procedures Manual in place. The recommendation from HUD was to put together a Policies and Procedures Manual. The manual was created using information from the HOME regulations as well as manuals from other communities. An overview of the manual was provided and it was noted that

multi-family was not listed as an eligible activity under Rental Housing Development. The manual will be corrected to list multi-family as a HOME eligible activity.

K. Cisneroz indicated that HUD will approve of the manual.

C. Renier-Wigg stated the manual can be used as a tool to give out to developers to outline the regulations for use of HOME funds on a project.

A motion was made by G. Delveaux and seconded by T. Weber to approve the Redevelopment Authority of the City of Green Bay (RDA) HOME Program Policies and Procedures Manual as amended. Motion carried.

BILLS:

7. Acceptance of financial report and check register as provided.

A motion was made by J. Blumreich and seconded by M. Parma to approve the financial report and check register as provided. Motion carried.

INFORMATIONAL:

8. Director's Report and Project Updates.

The following updates were provided:

- The KI Convention Center emergency elevator repair that was discussed at the August meeting was completed. It came in under budget and maintenance funds were used for the repair.
- There was discussion about the reasons for not having an escalator in the convention center. H. Maier noted that one of the biggest complaints heard at the Hyatt is about the stairway and no escalator. The elevators are hard to find.
- There was discussion about the demand for a grocery store downtown. New Leaf tried hard to find a downtown site and is now looking at a site in DePere. Downtown needs a grocery store and the added residential units are helping to build a stronger case for the need. The Economic Development department and Mayor's Office are aggressively working on it and looking for business models that would work downtown.
- G. Delveaux requested to have an update on the disposition plan at the next meeting.
- Chicago/Monroe site - P. Kozmoski submitted a proposal but they have not been able to come together with a design to work for that corner. It has been put on hold since it's past the construction season.
- University Avenue - The process is complete in terms of establishing the TID. Staff needs to put everything together to go on-line January 1, 2016. The Festival Foods project has some site plan issues to work through, primarily regarding traffic.
- Hotel Northland - Lots of documentation circulating. On track to close in the coming days.

Chair ruled for adjournment at 2:25 p.m.